LETTER OF AGREEMENT between the

STATE OF ALASKA

and the

ALASKA PUBLIC EMPLOYEES ASSOCIATION

representing the CONFIDENTIAL UNIT

Article 7.03 Compensatory Time

LOA 11-KK-101

It is agreed between the parties that the following terms and conditions of employment apply to all members of the Confidential Employees Association (CEA). No provision of the July 1, 2010 through June 30, 2013, master agreement not specifically referenced herein is modified by this agreement.

Article 7.03 is amended as follows:

7.03 - Compensatory Time

Compensatory time off for overtime eligible employees shall be in accordance with the Fair Labor Standards Act. Overtime shall be paid in cash except where an overtime eligible employee requests in writing compensatory time off and the supervisor approves the request. The decision to grant or deny compensatory time off is left to the sole discretion of management and shall be consistent with the Fair Labor Standards Act guidelines.

This agreement is effective July 1, 2010 and will remain in effect through June 30, 2013. This agreement is entered into solely to address the specific circumstance of this particular situation. It does not establish any practice or precedent between the parties. This agreement shall not be referred to in any other dispute, grievance, arbitration, hearing, or any other forum, except as may be necessary for the execution of its terms.

FOR THE STATE OF ALASKA:

Nicki Neal, Director

Division of Personnel and Labor Relations

Department of Administration

Openuary 20,2011

Date

FOR APPLIAFT (AFL CIO):

Pete Ford

SE Regional Manager

Date